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Sen. James Merritt
Sen. Vaneta Becker
Sen. Phil Boots
Sen. Michael Delph
Sen. Allen Paul
Sen. Ed Charbonneau
Sen. Vi Simpson
Sen. Earline Rogers
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JOINT STUDY COMMITTEE ON MASS TRANSIT AND TRANSPORTATION ALTERNATIVES

Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 233-0696 Fax: (317) 232-2554

LSA Staff:

Sarah Freeman, Attorney for the Committee
Allen Morford, Attorney for the Committee
James Sperlik, Fiscal Analyst for the Committee
Karen Firestone, Fiscal Analyst for the Committee

Authority: IC 2-5-28 (Established by SEA 105-2007)

MEETING MINUTES¹

Meeting Date: October 10, 2007
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington St., Room 404
Meeting City: Indianapolis, Indiana
Meeting Number: 3

Members Present: Sen. Thomas Wyss, Co-Chairperson; Sen. James Merritt; Sen. Vaneta Becker; Sen. Phil Boots; Sen. Michael Delph; Sen. Ed Charbonneau; Sen. Vi Simpson; Sen. Earline Rogers; Sen. James Lewis; Sen. Jean Breaux; Rep. Terri Austin, Co-Chairperson; Rep. David Niezgodski; Rep. Robert Bischoff; Rep. Nancy Dembowski; Rep. Vern Tincher; Rep. Cleo Duncan; Rep. James Buck; Rep. William Davis; Rep. Thomas Saunders; Rep. Ed Soliday.

Members Absent: Sen. Allen Paul; Rep. Earl Harris; Rep. Phil Pflum.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

I. Call to Order and Introduction of Members

Representative Austin called the meeting to order at 10:09 a.m., and committee members introduced themselves. Following committee discussion, the next meeting was scheduled for October 24 at 10:30 a.m. Senator Becker distributed copies of the 1990 "Western Route" report prepared by the Evansville Amtrak Task Force, an economic impact report of the midwest regional rail system, and an accompanying letter. *See Exhibits A - C.* The Indiana Department of Transportation had provided copies of its 2006 annual public transit report for distribution to members. *See Exhibit D.* Representative Austin provided members with biographies of each presenter and related publications. *See Exhibits E - I.*

Representative Austin informed the committee that scheduled speakers David Lips of the Indiana Economic Development Corporation and Scott Bernstein, the president and founder of the Center for Neighborhood Technology, were unable to attend the meeting.

II. Samuel R. Staley, Director, Urban and Land Use Policy, Reason Foundation

Mr. Staley told the committee it must examine the role of transit in Indiana's overall transportation framework. *See Exhibits J, K.* Indiana's present economy and lifestyle are based on automobile travel. Mass transit takes about twice as long as automobile travel and constitutes less than 1% of all travel in Indiana and less than 2% of all travel in Indianapolis, where ridership is falling. Some smaller communities have experienced spikes in ridership by exploiting one-time niche services and improving existing services. Presently, fare revenue comprises only 15% of transit operating costs in Indiana. A low income customer base and discounted fares result in reliance on outside revenue streams, which in turn shifts the focus away from efficiency and service.

Mr. Staley offered the committee six conclusions and recommendations about the role of transit in the future:

- Transit will not be a substitute for the automobile in a regional transportation network.
- Building ridership depends critically on maintaining a high quality and consistent level of service.
- Transit agencies need to identify and cultivate their core business.
- Transit agencies need to recognize transit's role in serving niche markets.
- Transit agencies must identify sustainable, consumer-based revenue streams.
- The state should consider opening up the transit market to private providers.

Representative Bischoff asked why transit will not replace the automobile. Mr. Staley answered that personal travel patterns are very customized and not well suited to mass transit and also that Indiana's traditional development pattern is not conducive to transit.

Senator Boots questioned the feasibility of opening up transit markets to private providers. Mr. Staley responded that it depends on whether the current transit system is a legal monopoly; if it is, laws must be changed. Otherwise he suggested using a competitive bidding framework. Representative Buck questioned whether transit routes might be subject to cherry-picking by private providers. Mr. Staley suggested letting private providers focus on niche markets.

Senator Rogers asked whether the decrease in transit ridership in Gary was due to fewer routes being offered or fewer people living in the transit service area. Mr. Staley responded that it is primarily due to a shift in population, and that Gary is slow to adapt to demographic changes.

III. Jeff Kingsbury, Principal and Co-Founder, Greenstreet Ltd.

Mr. Kingsbury discussed the role of transit as a driver of economic development. As housing and transportation costs increase, transit can help with affordability by creating higher density land use and activity centers with lower parking ratios. Mr. Kingsbury stated that transit provides the following benefits:

- Economic health and prosperity.
- Vital central business districts and thriving downtowns.October 15, 2007
- Connection of workers and jobs, including in suburban and rural areas.
- Congestion relief.
- Economic development.
- Environmental benefits.
- Job creation and a significant return on investment.

Mr. Kingsbury stated that transit is subject to misconceptions and suggested shifting the focus to using transit as a tool to solve existing problems. He said that, despite regulatory barriers, transit should be treated the same as other economic development tools.

Representative Austin asked whether transit is always local or regional in nature or whether there are any successful state transit programs. Mr. Kingsbury responded that any successful program requires a collaborative partnership between state and local governments and the private sector. In further response, Marilee Utter, president of Citiventures, LLC, said that Pennsylvania offers low interest loans for transit projects and provided funding that local transit agencies could use to acquire federal matching funds.

Representative Duncan asked if any studies are being conducted on the increasing need for transit as the general population ages and becomes unable to drive. Mr. Kingsbury responded that he is working on a transit plan for downtown Pendleton, Indiana, with Ball State University students that will forecast transit needs over the next 20 to 40 years. Mr. Kingsbury agreed with Representative Duncan that transit is not just an urban issue. He suggested using smart growth planning to avoid future sprawl.

IV. Marilee Utter, President, Citiventures, LLC

Ms. Utter discussed the competitive advantages of transit oriented development (TOD). *See Exhibit L.* Ms. Utter told the committee that transit is experiencing a building boom, with over 3,000 stations across the country, as factors like congestion and an aging population are creating a need for mobility options. Ms. Utter stated that TOD makes it easier to create "villages" with walkable neighborhoods and mixed use property. She gave several visual examples of areas that transitioned from sprawling development to TOD. According to Ms. Utter, residents of transit zones own fewer cars (0.9 per household compared to 1.6 per household nationwide) and thus require less parking.

Ms. Utter told the committee that it will cost over \$1.6 billion to repair the country's deteriorating infrastructure. She stated that businesses want to locate in markets that have 24 hour cities, mixed use developments, and access to transit. TOD provides a strategy for regional growth by attracting workers and businesses, generating private sector investment, and increasing property values.

Ms. Utter gave several examples of tools to capture revenue to fund TODs, such as property and sales taxes, fare revenue, and tax increment financing. She then described the Denver TOD. By 2016, Denver will have 90 rail stations and plans to add ten transit corridors over the next twelve years. The six-county region surrounding Denver passed an initiative to increase the local sales tax by 0.4% to fund the corridor project.

V. Other Business

Representative Duncan distributed a map of Indiana's interurban system to committee members. See *Exhibit M*. She also commended IndyGo for reintroducing express bus service from Fishers to downtown Indianapolis. Representative Davis engaged in a discussion with all three presenters about difficulties with the current Amtrak system.

Representative Austin asked Representative Niezgodski to discuss his role as a member of the Midwest Interstate Passenger Rail Commission at the October 24 meeting.

VI. Adjournment

Representative Austin adjourned the meeting at 12:26 p.m.